

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2794 - SB 2707**

February 26, 2020

**SUMMARY OF BILL:** Authorizes the Governor to negotiate with the Centers for Medicare and Medicaid Services (CMS) with respect to the terms of expanding Medicaid eligibility in accordance with the Patient Protection and Affordable Care Act, Public Law 111-148.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$167,948,400/FY20-21 and Subsequent Years**

**Increase Federal Expenditures –  
\$1,511,535,700/FY20-21 and Subsequent Years**

Assumptions:

- Based on information provided by the Division of TennCare, the proposed expansion would result in an increase of 335,844 new TennCare members at a projected annual cost of \$1,679,484,156.
- The expenditures would receive a federal match rate of 90 percent federal funds to 10 percent state funds.
- The recurring increase in expenditures is estimated to be \$167,948,416 (\$1,679,484,156 x 10.0%) in state funds in FY20-21 and subsequent years and \$1,511,535,740 (\$1,679,484,156 x 90.0%) in federal funds in FY20-21 and subsequent years.

**IMPACT TO COMMERCE:**

**Increase Business Revenue - \$1,679,484,200/FY20-21 and Subsequent Years**

**Increase Business Expenditures –  
Less than \$1,679,484,200/FY20-21 and Subsequent Years**

Assumptions:

- Individuals who provide healthcare services will experience an increase in business revenue for providing services estimated to be \$1,679,484,156.
- For companies to retain solvency, any increased expenditures will be less than the amount of increased revenues collected. Therefore, the increase in business expenditures is estimated to be less than \$1,679,484,156.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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